

# Senate File 2092 - Introduced

SENATE FILE 2092

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## A BILL FOR

1 An Act relating to health reform in Iowa by creating an  
2 IowaCare plus program and an Iowa choice exchange.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

IOWACARE PLUS PROGRAM

Section 1. NEW SECTION. 217A.1 Title.

This chapter shall be known and may be cited as the "*IowaCare Plus Act*".

Sec. 2. NEW SECTION. 217A.2 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Department*" means the department of human services.
2. "*Director*" means the director of human services.
3. "*Eligible individual*" means an individual who meets the eligibility requirements in section 217A.4.
4. "*Full benefit recipient rate*" means the rate paid to a provider for an adult who is eligible for full medical assistance benefits pursuant to chapter 249A under any category of eligibility.
5. "*Fund*" means the IowaCare plus trust fund created in section 217A.8.
6. "*Iowa Medicaid enterprise*" means the Iowa Medicaid enterprise as defined in section 249J.3.
7. "*IowaCare plus member*" or "*member*" means an IowaCare plus member with active eligibility status.
8. "*Premium assistance payment*" means a premium payment made on behalf of a member in the program, under a schedule established by the department.
9. "*Program*" means the IowaCare plus program created in this chapter.

Sec. 3. NEW SECTION. 217A.3 Purposes — principles — administration.

1. An IowaCare plus program shall be created to do all of the following:

- a. To improve the health of adults in the state.
- b. To improve the quality of health care and access to health care in the state.
- c. To provide health care coverage to adults in the state

1 who would otherwise be uninsured.

2     *d.* To increase the range of health care coverage options  
3 available to Iowans.

4     *e.* To slow the growth of per capita health care spending.

5     *f.* To serve as a model for reforming the health care  
6 delivery system.

7     2. The IowaCare plus program shall be established and  
8 administered in accordance with the following guiding health  
9 care coverage reform principles:

10     *a.* Health care coverage should be accessible.

11     *b.* Health care coverage should be continuous.

12     *c.* Health care coverage should be affordable to individuals  
13 and families.

14     *d.* The provision of health care coverage should be  
15 sustainable for Iowa.

16     *e.* Health care coverage should enhance health and well-being  
17 by promoting access to high-quality care that is effective,  
18 efficient, safe, timely, patient-centered, and equitable.

19     3. *a.* The program shall be administered by the Iowa  
20 Medicaid enterprise.

21     *b.* The program shall be administered consistent with the  
22 Iowa medical assistance program. State and federal laws, rules  
23 and regulations applicable to the Iowa medical assistance  
24 program pursuant to chapter 249A and 42 C.F.R. pts. 430  
25 through 456 shall apply to the IowaCare plus program, with the  
26 exception of benefits and eligibility provisions inconsistent  
27 with sections 217A.4 and 217A.5.

28     *c.* The provisions of this chapter shall not be construed,  
29 are not intended as, and shall not imply a grant of entitlement  
30 for services to individuals who are eligible for assistance  
31 under this chapter or for utilization of services that do  
32 not exist or are not otherwise available on July 1, 2010.  
33 Any state obligation to provide services pursuant to this  
34 chapter is limited to the extent of the funds appropriated or  
35 distributed for the purposes of this chapter.

1     *d.* All agencies and offices of the state, or of any  
2 political subdivision of the state, shall fully cooperate with  
3 the Iowa Medicaid enterprise and the department in carrying out  
4 the purposes of this section.

5     Sec. 4. NEW SECTION.   **217A.4 IowaCare plus — eligibility.**

6     1. Except as otherwise provided in this chapter, an  
7 individual nineteen through sixty-four years of age shall be  
8 eligible for the membership benefits described in section  
9 217A.5 when provided through the regional provider network as  
10 described in section 217A.6, if the individual meets all of the  
11 following conditions:

12     *a.* The individual is not eligible for health care coverage  
13 under any other public program or through group or individual  
14 health insurance, or health care coverage offered through group  
15 or individual health insurance is not affordable.

16     *b.* The individual has a family income above two hundred  
17 percent but not in excess of four hundred percent of the  
18 federal poverty level as defined by the most recently revised  
19 poverty income guidelines published by the United States  
20 department of health and human services.

21     *c.* The individual's or family member's employer has not  
22 provided health insurance coverage in the last six months for  
23 which the individual is eligible and for which the employer  
24 covers at least twenty percent of the annual premium cost of a  
25 family health insurance plan or at least thirty-three percent  
26 of an individual health insurance plan.

27     *d.* The individual has not accepted a financial incentive  
28 from the individual's employer to decline the employer's  
29 subsidized health insurance plan.

30     *e.* The individual fulfills all other conditions of  
31 participation described in this chapter, including requirements  
32 relating to personal financial responsibility.

33     2. Following initial enrollment, an IowaCare plus member  
34 shall reenroll annually by the last day of the month preceding  
35 the month in which the member initially enrolled. The

1 department may provide a process for automatic reenrollment of  
2 members.

3 3. The department shall develop a plan for outreach and  
4 education that is designed to ensure that Iowans are informed  
5 about the program and are encouraged to enroll in the program.  
6 The outreach and education plan shall include a focus on  
7 targeting populations that are underserved by the health care  
8 delivery system.

9 Sec. 5. NEW SECTION. 217A.5 IowaCare plus — benefits.

10 1. IowaCare plus members shall be eligible for all of the  
11 following benefits:

12 a. Inpatient hospital procedures described in the  
13 diagnostic-related group codes or other applicable inpatient  
14 hospital reimbursement methods designated by the department.

15 b. Outpatient hospital services described in the ambulatory  
16 patient groupings or non-inpatient services designated by the  
17 department.

18 c. Physician and advanced registered nurse practitioner  
19 services described in the current procedural terminology codes  
20 specified by the department.

21 d. Dental services described in the dental codes specified  
22 by the department.

23 e. Limited pharmacy benefits as specified by the department.

24 f. Primary care coordination.

25 2. a. Each member shall receive a comprehensive medical  
26 examination annually. The department may implement a  
27 web-based health risk assessment for members that may include  
28 facilitation, if deemed to be cost-effective to the program.

29 b. Refusal of a member to participate in a comprehensive  
30 medical examination or any health risk assessment implemented  
31 by the department shall not be a basis for ineligibility for or  
32 disenrollment from the program.

33 Sec. 6. NEW SECTION. 217A.6 Regional provider network.

34 1. The department shall establish a regional provider  
35 network and shall enter into contracts or 28E agreements with

1 providers specified for participation in the network. The  
2 regional provider network shall include all of the following:

3     *a.* Providers designated by the department who are part of  
4 the Iowa collaborative safety net provider network established  
5 pursuant to section 135.153.

6     *b.* The publicly owned acute care teaching hospital located  
7 in a county with a population over three hundred fifty thousand  
8 and the university of Iowa hospitals and clinics, that are part  
9 of the expansion population provider network as specified in  
10 section 249J.7.

11     *c.* Hospitals designated by the department.

12     *d.* Other health care providers designated by the department  
13 as necessary to provide regional access to the benefits  
14 specified under section 217A.5.

15     2. The department may designate specific providers within a  
16 region for the provision of primary, specialty, and tertiary  
17 care.

18     3. All members shall receive benefits described in section  
19 217A.5 through a medical home. The department shall adopt  
20 rules pursuant to chapter 17A, in collaboration with the  
21 medical home advisory council created pursuant to section  
22 135.159, specifying requirements for medical homes including  
23 certification, with which participating providers shall comply,  
24 as appropriate.

25     4. The department may develop a payment rate methodology to  
26 support the medical home requirement.

27     Sec. 7. NEW SECTION. 217A.7 Financial participation.

28     1. The department shall adopt rules pursuant to chapter  
29 17A to establish all cost-sharing requirements of the program,  
30 including any premiums, deductibles, and copayment amounts.  
31 Cost sharing shall be based on a sliding scale and any  
32 cost-sharing requirements shall meet the percentage standards  
33 for affordability established pursuant to 2009 Iowa Acts,  
34 chapter 118, section 1, subsection 4, paragraph "c".

35     2. Each IowaCare plus member whose family income exceeds

1 two hundred percent but does not exceed three hundred percent  
2 of the federal poverty level as defined by the most recently  
3 revised poverty income guidelines published by the United  
4 States department of health and human services may be eligible  
5 for a premium assistance payment as specified by rule of the  
6 department.

7 3. Each IowaCare plus member whose family income exceeds  
8 three hundred percent but does not exceed four hundred percent  
9 of the federal poverty level as defined by the most recently  
10 revised poverty income guidelines published by the United  
11 States department of health and human services shall pay the  
12 entire amount of cost sharing required by the program and is  
13 not eligible for a premium assistance payment provided through  
14 the program.

15 4. If an eligible individual has access to health care  
16 coverage through the individual's employer, but such health  
17 care coverage is not affordable, the program may pay the  
18 employee share of the premium up to the amount that the  
19 program would subsidize the member through the program, if  
20 cost-effective to the program.

21 5. Premiums collected pursuant to this section shall be  
22 deposited in the IowaCare plus trust fund created in section  
23 217A.8.

24 Sec. 8. NEW SECTION. 217A.8 IowaCare plus trust fund.

25 1. An IowaCare plus trust fund is created in the state  
26 treasury under the authority of the department. Moneys  
27 appropriated from the general fund of the state to the fund,  
28 moneys collected as premiums pursuant to section 217A.7, and  
29 moneys from any other source credited to the fund shall be  
30 deposited in the fund. Moneys deposited in or credited to the  
31 fund shall be used only as provided in appropriations from the  
32 fund for the purpose of the IowaCare plus program.

33 2. The fund shall be separate from the general fund of the  
34 state and shall not be considered part of the general fund of  
35 the state. The moneys in the fund shall not be considered

1 revenue of the state, but rather shall be moneys of the fund.  
2 The moneys in the fund are not subject to section 8.33 and  
3 shall not be transferred, used, obligated, appropriated, or  
4 otherwise encumbered, except to provide for the purposes of  
5 this chapter. Notwithstanding section 12C.7, subsection 2,  
6 interest or earnings on moneys deposited in the fund shall be  
7 credited to the fund.

8 3. The department shall adopt rules pursuant to chapter 17A  
9 to administer the fund.

10 Sec. 9. NEW SECTION. **217A.9 Contingent implementation.**

11 Implementation of this chapter is contingent upon the  
12 availability of funding as determined by the director and as  
13 stipulated in rules.

14 Sec. 10. NEW SECTION. **135.162A Diabetes registry.**

15 1. The department shall establish a uniform, statewide  
16 registry for the collection of data regarding diabetes.  
17 The purposes of the registry are to collect and serve as  
18 a repository for data about the prevalence and incidence  
19 of diabetes occurring in the population; to assist medical  
20 providers in tracking and improving the care of patients  
21 with diabetes; to provide a clearinghouse of information for  
22 individuals, their families, and providers about diabetes; to  
23 make the data available for scientific and medical research;  
24 and to assist in making decisions about the allocation of  
25 public resources.

26 2. The department shall adopt rules pursuant to chapter  
27 17A to administer the registry including the reporting format,  
28 the data to be collected, the use of data collected, and  
29 confidentiality of and access to the data.

30 3. In addition to the collection of data, the department  
31 shall provide training and on-site support for providers to  
32 participate in the registry, to change patterns of patient  
33 care through use of evidence-based practices by the provider,  
34 and to enable involvement by patients in patient education,  
35 self-management, and follow-up plans.



1 4. Implementation of this section is contingent upon the  
2 availability of funding as determined by the director of public  
3 health and stipulated in rules.

4 Sec. 11. Section 249J.7, Code 2009, is amended to read as  
5 follows:

6 **249J.7 Expansion population provider network.**

7 1. a. Expansion population members shall only be eligible  
8 to receive expansion population services through a provider  
9 included in the expansion population provider network. Except  
10 as otherwise provided in this chapter, the expansion population  
11 provider network shall be limited to a publicly owned acute  
12 care teaching hospital located in a county with a population  
13 over three hundred fifty thousand, the university of Iowa  
14 hospitals and clinics, ~~and the state hospitals for persons with~~  
15 ~~mental illness designated pursuant to section 226.1 with the~~  
16 ~~exception of the programs at such state hospitals for persons~~  
17 ~~with mental illness that provide substance abuse treatment,~~  
18 ~~serve gero-psychiatric patients, or treat sexually violent~~  
19 ~~predators~~ and a regional provider network utilizing providers  
20 that are part of the Iowa collaborative safety net provider  
21 network established pursuant to section 135.153, designated by  
22 the department to provide primary care to members.

23 b. The regional provider network shall include at least  
24 one primary care provider for each county designated to serve  
25 expansion population members residing in that county. Payment  
26 shall only be made to the county's designated primary care  
27 provider for eligible primary care services provided to a  
28 member. The department shall adopt rules pursuant to chapter  
29 17A, in collaboration with the medical home advisory council  
30 created pursuant to section 135.159, specifying requirements  
31 for medical homes including certification, with which regional  
32 provider network participating providers shall comply, as  
33 appropriate. The department may also designate other private  
34 providers and hospitals to participate in the regional provider  
35 network, to provide primary and specialty care, subject to the

1 availability of funds.

2 c. Tertiary care shall be provided to eligible expansion  
3 population members residing in any county in the state at the  
4 university of Iowa hospitals and clinics.

5 d. Once the statutorily specified amount of funding is  
6 distributed to the publicly owned acute care teaching hospital  
7 located in a county with a population over three hundred fifty  
8 thousand, eligible expansion population members may receive  
9 primary care services through other primary care providers  
10 located in that county as designated by the department.

11 2. Expansion population services provided to expansion  
12 population members by providers included in the expansion  
13 population provider network shall be payable at the full  
14 benefit recipient rates.

15 3. Providers included in the expansion population provider  
16 network shall submit clean claims within twenty days of the  
17 date of provision of an expansion population service to an  
18 expansion population member.

19 4. Unless otherwise prohibited by law, a provider under  
20 the expansion population provider network may deny care to  
21 an individual who refuses to apply for coverage under the  
22 expansion population.

23 5. Notwithstanding the provision of section 347.16,  
24 subsection 2, requiring the provision of free care and  
25 treatment to the persons described in that subsection, the  
26 publicly owned acute care teaching hospital described in  
27 subsection 1 may require any sick or injured person seeking  
28 care or treatment at that hospital to be subject to financial  
29 participation, including but not limited to copayments  
30 or premiums, and may deny nonemergent care or treatment  
31 to any person who refuses to be subject to such financial  
32 participation.

33 6. The department shall utilize certified public  
34 expenditures at the university of Iowa hospitals and clinics to  
35 maximize the availability of state funding to provide necessary

1 access to both local primary and specialty physician care to  
 2 expansion population members. The department shall determine,  
 3 in collaboration with the university of Iowa hospitals and  
 4 clinics and the Iowa collaborative safety net provider network  
 5 established pursuant to section 135.153, the maximum amount  
 6 of expenditures that can be claimed using certified public  
 7 expenditures by the university of Iowa hospitals and clinics.  
 8 Based upon the amount determined, any state appropriation of  
 9 these funds shall be made in equal sums to the university  
 10 of Iowa college of medicine for reimbursement of physician  
 11 services provided to expansion population members and to the  
 12 providers designated to participate in the regional provider  
 13 network to offset costs incurred in providing eligible services  
 14 to expansion population members.

15 Sec. 12. Section 263.18, subsection 4, Code 2009, is amended  
 16 to read as follows:

17 4. The physicians and surgeons on the staff of the  
 18 university of Iowa hospitals and clinics who care for patients  
 19 provided for in this section may charge for the medical  
 20 services provided under such rules, regulations, and plans  
 21 approved by the state board of regents. However, a physician  
 22 or surgeon who provides treatment or care for an expansion  
 23 population member pursuant to chapter 249J shall ~~not charge~~  
 24 ~~or only~~ receive any compensation for the treatment or care  
 25 ~~except the salary or compensation fixed by the state board~~  
 26 ~~of regents to be paid from the hospital fund~~ provided in  
 27 accordance with section 249J.7.

28 Sec. 13. IOWACARE — EXTENSION OF WAIVER. The department  
 29 of human services shall amend the extension proposal for the  
 30 IowaCare section 1115 demonstration waiver and shall submit  
 31 applicable state plan amendments under the medical assistance  
 32 program to provide expansion population services through the  
 33 expansion population network pursuant to section 249J.7, as  
 34 amended by this Act, within the budget neutrality cap and  
 35 subject to availability of state matching funds.

DIVISION II

IOWA CHOICE EXCHANGE

Sec. 14. NEW SECTION. 514M.1 Short title.

This chapter shall be known and may be cited as the "*Iowa Choice Exchange Act*".

Sec. 15. NEW SECTION. 514M.2 Purposes.

The purposes of this chapter include but are not limited to the following:

1. To provide a portal where uninsured Iowans can receive assistance in obtaining health care coverage.

2. To provide an information clearinghouse where all Iowans can obtain information about health care coverage that is available in the state including comparisons of benefits, premiums, and out-of-pocket costs.

Sec. 16. NEW SECTION. 514M.3 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "*Board*" means the board of directors of the Iowa choice exchange.

2. "*Carrier*" means an insurer providing accident and sickness insurance under chapter 509, 514, or 514A and includes a health maintenance organization established under chapter 514B if payments received by the health maintenance organization are considered premiums pursuant to section 514B.31 and are taxed under chapter 432. "*Carrier*" also includes a corporation which becomes a mutual insurer pursuant to section 514.23 and any other person as defined in section 4.1, who is or may become liable for the tax imposed by chapter 432.

3. "*Commissioner*" means the commissioner of insurance.

4. "*Creditable coverage*" means health benefits or coverage provided to an individual under any of the following:

a. A group health plan.

b. Health insurance coverage.

c. Part A or part B Medicare pursuant to Tit. XVIII of the

- 1 federal Social Security Act.
- 2     *d.* Medicaid pursuant to Tit. XIX of the federal Social  
3 Security Act, other than coverage consisting solely of benefits  
4 under section 1928 of that Act.
- 5     *e.* 10 U.S.C. ch. 55.
- 6     *f.* A health or medical care program provided through the  
7 Indian health service or a tribal organization.
- 8     *g.* A state health benefits risk pool.
- 9     *h.* A health plan offered under 5 U.S.C. ch. 89.
- 10    *i.* A public health plan as defined under federal  
11 regulations.
- 12    *j.* A health benefit plan under section 5(e) of the federal  
13 Peace Corps Act, 22 U.S.C. § 2504(e).
- 14    *k.* An organized delivery system licensed by the director of  
15 public health.
- 16    1. The hawk-i program authorized by chapter 514I.
- 17    5. "*Director*" means the director of revenue.
- 18    6. "*Exchange*" means the Iowa choice exchange.
- 19    7. "*Executive director*" means the executive director of the  
20 Iowa choice exchange.
- 21    8. *a.* "*Group health plan*" means an employee welfare  
22 benefit plan as defined in section 3(1) of the federal Employee  
23 Retirement Income Security Act of 1974, to the extent that the  
24 plan provides medical care including items and services paid  
25 for as medical care to employees or their dependents as defined  
26 under the terms of the plan directly or through insurance,  
27 reimbursement, or otherwise.
- 28    *b.* For purposes of this subsection, "*medical care*" means  
29 medical care for which amounts are paid for any of the  
30 following:
- 31       (1) The diagnosis, cure, mitigation, treatment, or  
32 prevention of disease, or for the purpose of affecting a  
33 structure or function of the body.
- 34       (2) Transportation primarily for and essential to medical  
35 care referred to in subparagraph (1).

1 (3) Insurance covering medical care referred to in  
2 subparagraph (1) or (2).

3 c. For purposes of this subsection, the following apply:

4 (1) A plan, fund, or program established or maintained  
5 by a partnership which, but for this subsection, would not  
6 be an employee welfare benefit plan, shall be treated as an  
7 employee welfare benefit plan which is a group health plan to  
8 the extent that the plan, fund, or program provides medical  
9 care, including items and services paid for as medical care  
10 for present or former partners in the partnership or to the  
11 dependents of such partners, as defined under the terms of the  
12 plan, fund, or program, either directly or through insurance,  
13 reimbursement, or otherwise.

14 (2) With respect to a group health plan, the term "*employer*"  
15 includes a partnership with respect to a partner.

16 (3) With respect to a group health plan, the term  
17 "*participant*" includes the following:

18 (a) With respect to a group health plan maintained by a  
19 partnership, an individual who is a partner in the partnership.

20 (b) With respect to a group health plan maintained by  
21 a self-employed individual under which one or more of the  
22 self-employed individual's employees are participants, the  
23 self-employed individual, if that individual is, or may become,  
24 eligible to receive benefits under the plan or the individual's  
25 dependents may be eligible to receive benefits under the plan.

26 9. "*Health care services*" means services, the coverage of  
27 which is authorized under chapter 509, 514, 514A, or 514B and  
28 includes services for the purposes of preventing, alleviating,  
29 curing, or healing human illness, injury, or physical  
30 disability.

31 10. "*Health insurance*" means accident and sickness insurance  
32 authorized by chapter 509, 514, or 514A.

33 11. a. "*Health insurance coverage*" means health insurance  
34 coverage offered to individuals, including group conversion  
35 coverage.

1     *b. "Health insurance coverage"* does not include any of the  
2 following:

3       (1) Coverage for accident-only or disability income  
4 insurance.

5       (2) Coverage issued as a supplement to liability insurance.

6       (3) Liability insurance, including general liability  
7 insurance and automobile liability insurance.

8       (4) Workers' compensation or similar insurance.

9       (5) Automobile medical-payment insurance.

10      (6) Credit-only insurance.

11      (7) Coverage for on-site medical clinic care.

12      (8) Other similar insurance coverage, specified in  
13 federal regulations, under which benefits for medical care  
14 are secondary or incidental to other insurance coverage or  
15 benefits.

16     *c. "Health insurance coverage"* does not include benefits  
17 provided under a separate policy as follows:

18       (1) Limited-scope dental or vision benefits.

19       (2) Benefits for long-term care, nursing home care, home  
20 health care, or community-based care.

21       (3) Any other similar limited benefits as provided by rule  
22 of the commissioner.

23     *d. "Health insurance coverage"* does not include benefits  
24 offered as independent noncoordinated benefits as follows:

25       (1) Coverage only for a specified disease or illness.

26       (2) A hospital indemnity or other fixed indemnity  
27 insurance.

28     *e. "Health insurance coverage"* does not include Medicare  
29 supplemental health insurance as defined under section  
30 1882(g)(1) of the federal Social Security Act, coverage  
31 supplemental to the coverage provided under 10 U.S.C. ch. 55  
32 and similar supplemental coverage provided to coverage under  
33 group health insurance coverage.

34     12. *"Medical assistance program"* means the federal-state  
35 assistance program established under Tit. XIX of the federal

1 Social Security Act and chapter 249A.

2 13. "*Medicare*" means the federal government health insurance  
3 program established under Tit. XVIII of the federal Social  
4 Security Act.

5 14. "*Organized delivery system*" means an organized delivery  
6 system as licensed by the director of public health.

7 Sec. 17. NEW SECTION. 514M.4 Iowa choice exchange  
8 created — board of directors.

9 1. An Iowa choice exchange is created as a nonprofit  
10 corporation under the purview of the insurance division of the  
11 department of commerce.

12 a. All carriers and all organized delivery systems licensed  
13 by the director of public health providing health insurance or  
14 health care services in Iowa, whether on an individual or group  
15 basis, and all other insurers designated by the exchange's  
16 board of directors and approved by the commissioner shall be  
17 members of the exchange.

18 b. The exchange shall operate under a plan of operation  
19 established and approved under section 514M.5 and shall  
20 exercise its powers through a board of directors established  
21 under this section.

22 2. The board of directors of the exchange shall consist of  
23 the following members:

24 a. The following persons who are voting members of the board  
25 appointed by the governor and subject to confirmation by the  
26 senate:

27 (1) A health care academic with a background in economics,  
28 law, or public health.

29 (2) An executive of a carrier.

30 (3) A health benefits manager of a company.

31 (4) A health care analyst representing a public or private  
32 employee bargaining unit.

33 (5) A health care analyst representing an organized  
34 consumer group.

35 (6) A health care provider.



1       (7) An insurance agent.

2       *b.* The following persons who are ex officio, nonvoting  
3 members of the board:

4       (1) The commissioner of insurance, or a designee.

5       (2) The Iowa Medicaid director, or a designee.

6       (3) Four members of the general assembly, one appointed  
7 by the speaker of the house of representatives, one appointed  
8 by the minority leader of the house of representatives,  
9 one appointed by the majority leader of the senate, and one  
10 appointed by the minority leader of the senate.

11      *c.* Each member of the board appointed by the governor shall  
12 be a resident of this state and the composition of voting  
13 members of the board shall be in compliance with sections  
14 69.16, 69.16A, and 69.16C.

15      *d.* The voting members of the board shall be appointed for  
16 terms of six years beginning and ending as provided in section  
17 69.19. A member of the board is eligible for reappointment.  
18 The governor shall fill a vacancy for the remainder of the  
19 unexpired term. A member of the board may be removed by the  
20 governor for misfeasance, malfeasance, or willful neglect of  
21 duty or other cause after notice and a public hearing unless  
22 the notice and hearing are waived by the member in writing.

23      *e.* The voting members of the board shall annually elect one  
24 of the members as chairperson and one as vice chairperson.

25      *f.* A majority of the voting members of the board constitutes  
26 a quorum. The affirmative vote of a majority of the voting  
27 members is necessary for any action taken by the board.

28 The majority shall not include a member who has a conflict  
29 of interest and a statement by a member of a conflict of  
30 interest is conclusive for this purpose. A vacancy in the  
31 voting membership of the board does not impair the right of a  
32 quorum to exercise the rights and perform the duties of the  
33 board. An action taken by the board under this chapter may be  
34 authorized by resolution at a regular or special meeting and  
35 each resolution may take effect immediately and need not be

1 published or posted. Meetings of the board shall be held at  
2 the call of the chairperson or at the request of a majority of  
3 the voting members.

4 *g.* Members of the board may be reimbursed from the moneys  
5 of the exchange for expenses incurred by them as members, but  
6 shall not be otherwise compensated by the exchange for their  
7 services.

8 *h.* The voting members of the board shall give bond as  
9 required for public officers in chapter 64.

10 *i.* The members of the board are subject to and are officials  
11 within the meaning of chapter 68B.

12 *j.* All employees of the exchange are exempt from chapter 8A,  
13 subchapter IV, and chapter 97B.

14 3. The voting members of the board shall appoint an  
15 executive director to supervise the administrative affairs  
16 and general management and operations of the exchange. The  
17 executive director shall not be a member of the board,  
18 shall serve at the pleasure of the board, and shall receive  
19 compensation as fixed by the board. The executive director  
20 shall keep a record of the proceedings of the board and shall  
21 be custodian of all books, documents, and papers filed with  
22 the board, the minute book or journal of the board, and the  
23 official seal of the board. The executive director may cause  
24 copies to be made of minutes and other records and documents of  
25 the board and may give certificates under the official seal of  
26 the board that the copies are true copies, and persons dealing  
27 with the board may rely upon the certificates.

28 4. The exchange shall be considered a governmental body  
29 for the purposes of chapter 21 and a government body for the  
30 purposes of chapter 22.

31 5. The board may hire independent consultants, as they deem  
32 necessary, to assist them in carrying out the provisions of  
33 this chapter.

34 Sec. 18. NEW SECTION. 514M.5 Plan of operation —  
35 assessments.

1     1. The board shall submit to the commissioner a plan  
2 of operation for the exchange and any amendments necessary  
3 or suitable to assure the fair, reasonable, and equitable  
4 administration of the exchange within ninety days after the  
5 appointment of the board. After notice and hearing, the  
6 commissioner shall approve the plan of operation if the plan  
7 is determined to be suitable to assure the fair, reasonable,  
8 and equitable administration of the exchange, and includes a  
9 methodology that may be used to share exchange costs on an  
10 equitable and proportionate basis among the member carriers.  
11 In addition to other requirements, the plan of operation shall  
12 provide for all of the following:

13     *a.* The handling and accounting of assets and moneys of the  
14 exchange.

15     *b.* The amount and method of reimbursing expenses of the  
16 members of the board.

17     *c.* Regular times and places for meetings of the board.

18     *d.* Records to be kept of all financial transactions, and the  
19 annual fiscal reporting to the commissioner.

20     *e.* The periodic advertising of the general availability of  
21 health coverage information and assistance from the exchange.

22     *f.* Additional provisions necessary or proper for the  
23 execution of the powers and duties of the exchange.

24     2. The exchange has the general powers and authority  
25 enumerated by this section and pursuant to section 514M.6 and  
26 executed in accordance with the plan of operation approved by  
27 the commissioner under subsection 1.

28     3. Following the close of each calendar year, the exchange  
29 shall determine the net payments received, the expenses of  
30 administration, and the incurred costs of the exchange for  
31 the year. The exchange shall certify the amount of any net  
32 costs for the preceding calendar year to the commissioner  
33 and director of revenue. The net costs may be assessed by  
34 the exchange to all members of the exchange in proportion to  
35 their respective shares of total health insurance premiums

1 or payments for subscriber contracts received in Iowa during  
2 the second preceding calendar year, coinciding with or ending  
3 during the calendar year or on any other equitable basis as  
4 provided in the plan of operation. In sharing costs, the  
5 exchange may abate or defer in any part the assessment of  
6 a member, if, in the opinion of the board, payment of the  
7 assessment would endanger the ability of the member to fulfill  
8 its contractual obligations. The exchange may also provide  
9 for an initial or interim assessment against members of the  
10 exchange if necessary to assure the financial capability of the  
11 exchange to meet the incurred or estimated operating costs of  
12 the exchange until the next calendar year is completed. Net  
13 gains of the exchange, if any, shall be held by the exchange at  
14 interest to offset future costs.

15     *a.* For purposes of this subsection, *"total health insurance*  
16 *premiums"* and *"payments for subscriber contracts"* include,  
17 without limitation, premiums or other amounts paid to or  
18 received by a member for individual and group health plan  
19 coverage provided under any chapter of the Code or Iowa Acts,  
20 and *"paid losses"* includes, without limitation, claims paid by  
21 a member operating on a self-funded basis for individual and  
22 group health plan coverage provided under any chapter of the  
23 Code or Iowa Acts.

24     *b.* For purposes of calculating and conducting the assessment  
25 under this subsection, the exchange shall have the express  
26 authority to require members to report on an annual basis each  
27 member's total health insurance premiums and payments for  
28 subscriber contracts and paid losses.

29     4. The exchange shall conduct annual audits to assure  
30 the general accuracy of the financial data submitted to the  
31 exchange, and the exchange shall have an annual audit of its  
32 operations, made by an independent certified public accountant.

33     5. The exchange is subject to examination by the  
34 commissioner. Not later than April 30 of each year, the board  
35 shall submit to the commissioner a financial report for the

1 preceding calendar year in a form approved by the commissioner.

2     6. The exchange is subject to oversight by the legislative  
3 fiscal committee of the legislative council. Not later than  
4 April 30 of each year, the board shall submit to the governor,  
5 the speaker of the house of representatives, the majority  
6 leader of the senate, and the legislative fiscal committee a  
7 financial report for the preceding year in a form approved by  
8 the legislative fiscal committee.

9     7. The exchange is exempt from payment of all fees and  
10 all taxes levied by this state or any of its political  
11 subdivisions.

12     8. The exchange shall develop and implement a plan of  
13 operation and corresponding timeline detailing action steps  
14 toward implementing this chapter, by rules adopted pursuant to  
15 chapter 17A as provided in section 514M.7.

16     Sec. 19. NEW SECTION. **514M.6 Powers and duties of exchange.**

17     1. The exchange shall develop a system that provides  
18 a portal where uninsured Iowans can receive assistance in  
19 obtaining public or private health care coverage. In doing  
20 so the exchange shall contract with the department of human  
21 services to determine the eligibility of uninsured Iowans for  
22 public programs and to provide assistance with enrollment in  
23 the appropriate public programs. The exchange shall provide  
24 assistance with obtaining private health insurance coverage  
25 that meets certain standards of quality and affordability  
26 to uninsured Iowans who are not eligible for or do not wish  
27 to enroll in public programs. The exchange shall develop  
28 a seamless system that allows individuals to move between  
29 public and private health care coverage, including increasing  
30 opportunities for obtaining creditable coverage.

31     2. The exchange shall establish quality standards for  
32 private health insurance coverage that has three levels  
33 of benefits including basic or catastrophic benefits, an  
34 intermediate level of benefits, and comprehensive benefits  
35 coverage, and that meets affordability limits established

1 pursuant to 2009 Iowa Acts ch. 118, section 1, subsection 4,  
2 paragraph "c".

3     3. a. The exchange shall establish an information  
4 clearinghouse to provide information to all Iowans about all  
5 public and private health care coverage that is available in  
6 the state including comparisons of benefits, premiums, and  
7 out-of-pocket costs.

8     b. The exchange may establish standards for carriers,  
9 organized delivery systems, and public programs to provide  
10 uniform and consistent information about the health care  
11 coverage options offered by each carrier and public program  
12 that includes but is not limited to what benefits are covered  
13 and not covered, the amount of coverage for each service,  
14 including copays and deductibles, and any prior authorization  
15 requirements for coverage.

16     c. The exchange may require each carrier, organized delivery  
17 system, and public program to categorize and describe which of  
18 the three levels of benefits each health care coverage option  
19 offered by a carrier, organized delivery system, or public  
20 program provides as set forth in subsection 2.

21     d. The exchange shall provide ongoing information to  
22 taxpayers about the costs of public health care programs to the  
23 state, including the percentage and source of state and federal  
24 funding for the programs.

25     e. The exchange may provide counseling to assist Iowans with  
26 making an informed choice when selecting health care coverage.

27     4. The exchange shall maintain an ongoing effort to monitor  
28 federal law and federal health reform efforts and to report  
29 that information to the governor and to the general assembly so  
30 that the state is in a position to do any of the following:

31     a. Participate in any early opt-in opportunities available  
32 prior to the full execution date of any enacted federal health  
33 care reform legislation.

34     b. Participate in any opportunities available under  
35 any enacted federal legislation that creates incentives or

1 otherwise allows states to engage in reform of their insurance  
2 markets.

3     *c.* Aggressively seek opportunities to obtain and leverage  
4 federal funding for health care coverage of Iowans and to  
5 improve Iowa's health care system.

6     5. The exchange may develop standards related to the  
7 marketing of health insurance coverage by carriers and  
8 organized delivery systems, including but not limited to the  
9 following:

10     *a.* Limits on the marketing approaches that may be used.

11     *b.* Prior approval of marketing materials used.

12     6. The exchange shall encourage or develop the use of common  
13 definitions for quality of care and pricing of health care  
14 services and develop and implement methodologies that provide  
15 quality and cost data on health care services and health care  
16 coverage offered in the state.

17     7. The exchange shall collaborate with, including but not  
18 limited to, the department of human services, the department  
19 of public health, the commissioner, the department of  
20 human services, health care providers, members of the Iowa  
21 collaborative safety net provider network, and carriers to  
22 carry out the duties of the exchange including dissemination  
23 of information about the services offered by the exchange to  
24 the public.

25     Sec. 20. NEW SECTION. 514M.7 Rules.

26     The commissioner and the board shall adopt rules pursuant to  
27 chapter 17A to implement the provisions of this chapter.

28     Sec. 21. NEW SECTION. 514M.8 Iowa choice exchange fund  
29 created.

30     1. An Iowa choice exchange fund is created in the state  
31 treasury as a separate fund under the control of the exchange.  
32 All moneys appropriated or transferred to the fund shall be  
33 credited to the fund. All moneys deposited or paid into the  
34 fund shall only be appropriated to the exchange to be used for  
35 the purposes set forth in this chapter.

2. Notwithstanding section 8.33, any balance in the fund on June 30 of each fiscal year shall not revert to the general fund of the state, but shall be available for purposes of this chapter in subsequent fiscal years. Notwithstanding section 12C.7, interest earnings on moneys in the fund shall be credited to the fund.

7      Sec. 22. NEW SECTION. 514M.9 Collective action — immunity.

8       The participation by carriers or members in the exchange  
9 or any joint or collective action required by this chapter  
10 shall not be the basis of any legal civil action, or criminal  
11 liability against the exchange or members of it either jointly  
12 or separately.

13      Sec. 23. NEW SECTION. 514M.10 Contingent implementation.

14 Implementation of this chapter is contingent upon the  
15 availability of funding as determined by the commissioner and  
16 stipulated in rules adopted by the commissioner.

17       Sec. 24.   INITIAL MEMBERS OF BOARD OF DIRECTORS OF THE IOWA  
18 CHOICE EXCHANGE.   The initial voting members of the board of  
19 directors of the Iowa choice exchange shall be appointed within  
20 thirty days after the implementation date of this division of  
21 this Act.

22 EXPLANATION

23 DIVISION I — IOWACARE PLUS PROGRAM. New Code chapter 217A  
24 creates the IowaCare plus program based on specified purposes  
25 and principles. The program is to be administered by the  
26 Iowa Medicaid enterprise. The division specifies eligibility  
27 criteria for the program including that an individual must be  
28 between 19 through 64 years of age and have a family income  
29 above 200 percent but not in excess of 400 percent of the  
30 federal poverty level. The division specifies the benefits  
31 under the program including inpatient hospital services,  
32 outpatient hospital services, physician and advanced registered  
33 nurse practitioner services, dental services, limited pharmacy  
34 benefits, and primary care coordination. The division  
35 directs the department of human services (DHS) to establish



1 a regional provider network to provide services under the  
2 program utilizing the university of Iowa hospitals and clinics  
3 and Broadlawns medical center as current expansion population  
4 provider network, the Iowa collaborative safety net provider  
5 network, private providers, and hospitals as specified by the  
6 department. The division directs DHS to establish cost sharing  
7 for the program by rule based on a sliding fee schedule and  
8 also provides for premium assistance for those individuals  
9 with incomes over 200 and not exceeding 300 percent of the  
10 federal poverty level. Members of the program with incomes in  
11 excess of 300 percent but not in excess of 400 percent of the  
12 federal poverty level must pay all cost sharing required under  
13 the program. The division creates an IowaCare plus trust fund  
14 under the authority of DHS to be used for the IowaCare plus  
15 program. Implementation of the program is contingent upon the  
16 availability of funding.

17 The division also directs DHS to amend the extension  
18 proposal for the IowaCare program and submit applicable state  
19 plan amendments to allow for expansion population members  
20 under the IowaCare program to utilize additional providers  
21 included in the regional provider network, private providers,  
22 and hospitals as specified by DHS; to access tertiary care at  
23 the university of Iowa hospitals and clinics for any eligible  
24 member residing in any county in the state; and to provide  
25 access to other providers for primary and specialty care,  
26 subject to availability of funding.

27 Division I also establishes a diabetes registry for the  
28 collection of data regarding diabetes. The purposes of the  
29 registry are to collect and serve as a repository for data  
30 about the prevalence and incidence of diabetes occurring in  
31 the population; to assist medical providers in tracking and  
32 improving the care of patients with diabetes; to provide a  
33 clearinghouse of information for individuals, their families,  
34 and providers about diabetes; to make the data available  
35 for research; and to assist in making decisions about the

1 allocation of public resources. Implementation of the registry  
2 is also contingent upon availability of funding.

3 DIVISION II — IOWA CHOICE EXCHANGE. New Code chapter 514M  
4 creates the Iowa choice exchange as a nonprofit corporation  
5 under the purview of the insurance division of the department  
6 of commerce. The stated purposes for creating the exchange  
7 are to provide a portal where uninsured Iowans can receive  
8 assistance in obtaining health care coverage and provide  
9 an information clearinghouse where all Iowans can obtain  
10 information about health care coverage.

11 New Code section 514M.4 creates the exchange, specifies  
12 the membership of the seven voting members of the board of  
13 directors, and the ex officio, nonvoting members of the board  
14 which include the commissioner of insurance and the Iowa  
15 Medicaid director or their designees, and four legislators.  
16 The voting members of the board are appointed by the governor,  
17 subject to confirmation by the senate for six-year terms, and  
18 are required to appoint an executive director to supervise the  
19 administrative affairs of the exchange. All licensed carriers  
20 and organized delivery systems in the state providing health  
21 insurance or health care services are members of the exchange.

22 New Code section 514M.5 requires the exchange to submit  
23 a plan of operation to the commissioner of insurance for  
24 approval. The exchange is also required to determine the net  
25 payments received each year and the incurred costs of the  
26 exchange for the year. The net costs may be assessed by the  
27 exchange against all members in proportion to their respective  
28 shares of total health insurance premiums or payments for  
29 subscriber contracts received in Iowa. The exchange may  
30 provide for an initial or interim assessment against such  
31 members to assure the financial capability of the exchange  
32 to meet incurred or estimated operating costs until the next  
33 calendar year is completed. The exchange is required to  
34 conduct annual audits to assure the accuracy of the financial  
35 data submitted by members and the accuracy of information

1 regarding the expenses of the exchange. The exchange is  
2 subject to oversight by the legislative fiscal committee of the  
3 legislative council and must submit an annual financial report  
4 by April 30 of each year.

5 New Code section 514M.6 specifies the powers and duties  
6 of the exchange to carry out its purposes. The exchange is  
7 required to contract with the department of human services to  
8 make eligibility determinations for public programs.

9 The exchange is also required to establish quality and  
10 affordability standards for three levels of private health  
11 insurance coverage and to provide information about available  
12 public and private health care coverage, including comparisons  
13 of benefits, premiums, and out-of-pocket costs for each option.  
14 The exchange may establish standards for carriers, organized  
15 delivery systems, and public programs to provide uniform and  
16 consistent information about health care coverage options to  
17 facilitate comparisons and may require each carrier, organized  
18 delivery system, and public program to categorize which of the  
19 three levels of benefits the coverage offered provides. The  
20 exchange may offer counseling to assist Iowans with making an  
21 informed choice when selecting health care coverage.

22 The exchange is also required to conduct ongoing monitoring  
23 of federal law and federal health reform efforts and to report  
24 that information to the governor and to the general assembly  
25 so that the state is in a position to participate in any early  
26 opt-in opportunities or insurance market reforms that become  
27 available and to aggressively obtain and leverage federal  
28 funding for improvements to Iowa's health care coverage and  
29 health care system.

30 The exchange may develop marketing standards related to  
31 private health care coverage. The exchange is required to  
32 encourage or develop the use of common definitions for quality  
33 of care and pricing of health care services and develop and  
34 implement methodologies that provide quality and cost data on  
35 health care services and health care coverage offered in the

1 state.

2     The exchange is required to collaborate with other  
3 state agencies, health care providers, members of the Iowa  
4 collaborative safety net provider network, and carriers and  
5 organized delivery systems to carry out its duties.

6     Under Code section 514M.7 the exchange may adopt  
7 administrative rules under Code chapter 17A to implement the  
8 provisions of the new Code chapter.

9     Code section 514M.8 creates the Iowa choice exchange fund in  
10 the state treasury as a separate fund under the control of the  
11 exchange with all moneys deposited in the fund appropriated to  
12 the exchange to be used for the purposes enumerated in new Code  
13 chapter 514M.

14     New Code section 514M.10 provides that the implementation  
15 of the new Code chapter is contingent upon the availability  
16 of funding as determined by the commissioner of insurance and  
17 stipulated in administrative rules.